



PRESIDIO INDEPENDENT SCHOOL DISTRICT

*Presidio Independent School District does not discriminate
on the basis of race, color, gender, national origin, disability
or age in its programs and activities.*

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ORAL & WRITTEN TESTIMONY PROVIDED TO THE HOUSE COMMITTEES ON PUBLIC EDUCATION & APPROPRIATIONS

September 28, 2016

Re: Presidio Independent School District

Presidio Independent School District (PISD) is located in far West Texas on the United States – Mexico border about eighty miles West of the Big Bend National Park. The district contains 899 square miles and is one of two school districts in Presidio County. From the City of Presidio, it is a four hour drive to either El Paso or Midland-Odessa, the two nearest large cities.

According to the Texas Education Agency (TEA) District Profile, PISD has just over 1400 students in early childhood education through grade 12; of which 95.7% are Hispanic, 87.7% are economically disadvantaged, 53.7% are limited English proficient, and 75% are at-risk. It has a total staff of 279 with a teacher turnover rate that is less than the statewide average. The district has a graduation rate of 98%, an attendance rate of over 95%, with over 60% of its students enrolled in an institution of higher education. PISD Met Standard on the 2016 state accountability rating. In an effort to prepare college and workforce ready students, the district provides an early college high school program partnering with the University of Texas Permian Basin and a science, technology, engineering, and math (STEM) academy through partnership agreements with Texas Tech University and a Career and Technology program with Texas State Technical College in Sweetwater. Through the early college high school program, graduating seniors exit high school having earned college credits ranging from one to four semesters resulting in an estimated savings to parents in this impoverished community with its high unemployment rate of \$396,000 in average tuition costs (based on the graduating class of 2015).

Under the state's public education funding structure, Presidio ISD is classified as a chapter 42 school. Relative to other school districts in the state, its wealth per student (weighted average daily attendance unit) is in the bottom 5.5 percent. One penny on the district's local tax base yields only about \$16,000. Within the Presidio ISD is about \$12.5M of federal property dedicated to border security which is exempt from taxation. As a result, local tax revenue comprises only 15 percent of the district's overall funding causing the district to be dependent upon the state for 73 percent of its total required revenue for both maintenance and operational (M&O) costs as well as for debt retirement. Federal program revenues comprise the remaining 12 percent of the district's overall funding. The current maintenance and operations tax rate is \$1.17, and the debt service tax rate is \$0.24.

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Under House Bill (HB) 1 as adopted by the Texas Legislature in 2005, the district was allowed to include the "Robin Hood" recapture money it received from a chapter 41 partner district in the calculation of its target revenue resulting in additional state aid for tax reduction (ASATR) of just under \$3.5 million dollars. Currently ASATR comprises \$1.2 million dollars, or about 10%, of the district's state operational revenue. Under HB 1 and subsequent legislation, PISD is no longer able to partner with a chapter 41 district in order to receive recaptured funds nor is the district able to generate the same initial level of state and local revenue even at a voter approved \$1.17 M&O tax rate due to tax compression as mandated in such legislation. PISD wisely used the recaptured money to provide for the instructional technology needs of its students and most recently has used the ASATR funds to provide for secure, safe, and energy efficient facilities improvements. This frugal management of its available resources has earned the district high scores on its annual School-FIRST ratings.

Under current law, ASATR is scheduled for complete elimination on September 1, 2017. When that happens, the district will realize an approximate projected loss in state funding of about \$1.1 million dollars. The district's property value and tax collections are not expected to sufficiently increase next school year so as to offset this loss, even at the maximum M&O tax rate of \$1.17. As a result, Presidio Independent School District is respectfully requesting that the 85th Texas Legislature NOT eliminate ASATR; rather, continue to fund this form of state aid as intended under HB 1 and other subsequent legislation until such time as the effects of this form of state funding are replaced by an increased local tax base and corresponding increased tax collections or changes are made to the current or future state funding systems which remove this feature without removing its financial effects. To not do so will create a \$1.1 million dollar deficit in the budget of this property poor school district that cannot realistically offset this kind of loss, thereby, preventing the district from continuing to provide both the value and the educational outcomes that have been realized thus far which include, but are not limited to, the aforementioned technology and facilities upgrades and the early college high school program which is producing and sustaining college and workforce ready students while providing sustained savings to parents in this community where the unemployment rate is high an estimated \$396,000 in average tuition costs.

Thank you for your consideration.

With Great Respect for Texas Public Education,

A handwritten signature in black ink, appearing to read "Carlos E. Nieto". The signature is stylized with a large, circular flourish on the left side.

Carlos E. Nieto, MPH
3rd Generation Presidio ISD Board of Trustees